



Electric Cooperative, Inc. One of the Minnkota Power Systems

P.O. BOX 108 • 406 NORTH MINNESOTA STREET • WARREN, MINNESOTA 56762 • (218) 745-4711 • (800) 552-7366

July 29, 1994

The Honorable Andrew C. Barrett
Commissioner
Federal Communications Commission
1919 M Street, NW, Room 826
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Dear Commissioner Barrett:

As you work to prepare your report to Congress on the Status of Competition to Cable, CS Docket No. 94-48, I'm compelled to provide you with a look at rural America. Northwestern Minnesota is sparsely inhabited and as a result untouched by cable in most areas. Direct Broadcast Satellite (DBS) is the opportunity for our farmers and rural homeowners to become equal with their city brethren in telecommunications.

In most areas of rural Minnesota, we waited 40 years to receive central station electricity. Until DBS, we had to wait 25 years to receive cable TV programming that was affordable. With the Time Warner/Viacom "exclusive" programming agreements with the United States Satellite Broadcasting Company, (USSB) we are locked out from providing our rural cooperative members with such popular cable programming as HBO, Showtime and Nickeloden.

The big dish satellite (C-band) was not a viable alternative for our rural people. The cost of equipment was out of reach for most of our folks and the programming costs were as much as 800% more than cable. The Cable Act of 1992 brought the cost of programming more in line with cable rates. As we understand a part of that act prevented "exclusive" contracts for programming. Us rural folks need to have access on an equal basis for the cable programming our members desire.

We have the technology to bring the vast rural areas of this great Country into the 21st century with telecommunications. Our telephone cooperatives are doing a good job of keeping up to date. Why in this age of technology is there and "exclusive" contract for only certain cable programming and only that supplied on DBS by the United States Satellite Broadcasting Company (USSB)? Our folks have a difficult time understanding that.

Your attention to our concern would be appreciated.

Thank you.

Sincerely,

Charles P. Riesen
General Manager

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July 26, 1994

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

**Re: Cable Competition Report
CS Docket No. 94-48**

Dear Chairman Hundt:

PKM Electric Cooperative is a small rural cooperative located in the very northwest corner of Minnesota. Our member/owners have never had access to cable television. You can imagine their excitement, when in cooperation with the National Rural Telecommunications Cooperative, we were able to provide direct broadcast satellite (DBS) service.

That excitement has been tempered by the fact that we cannot deliver some of the most popular cable networks, like HBO, Showtime and Nickeloden. We are told by NRTC that the United States Satellite Broadcast Company (USSB) has an "Exclusive" contract with Time Warner/Viacom to provide these programs.

Chairman Hundt, I thought the Cable Act of 1992 prohibited exclusive programming arrangements. NRTC tells us that we have no exclusive contracts with our programmers. I'm confused. Our folks have waited a generation to receive cable programming. Less than 2% of our member/owners have the big satellite dish; frankly, the cost of equipment and programming placed this technology beyond the reach of most of our people. With DBS, we have the opportunity to provide cable programming to most of our member/owners.

In our part of the country most folks cannot receive major network television unless they have invested hundreds of dollars in tower and off air antenna systems. DBS is what we have been waiting for. However, if our people want HBO or Nickeloden, they have to buy it from a competitor who has no investment or interest in our area.

Chairman Hundt, we have no problems with competition, but how

can you have competition when the one party has an exclusive contract with the programmers. I guess one could argue that we have gone without cable programming for so long that we should be happy with whatever we get, but I don't think that was the intent of the Cable Act of 1992.

We are just plain folks up here. I confess to know little of the political and legal points raised by this issue. We believe that NRTC understands this issue and has the interests of rural America as its goal. We support the NRTC position.

Ya know, we vote in greater numbers than the big cities of our country. We comply with the laws and pay our taxes with more regularity than most parts of this great country. More of our young folks graduate from high school and go to war (when called) than other areas. I believe, we rank pretty good in regular church attendance. Why, in this day and age can't we deliver our people the cable programming they want?

We would appreciate consideration of our concerns.

Thank you.

Sincerely,

Charles P. Riesen
General Manager

CPR:dlc